



ED101-Economic Development Finance

Participants in ED101, the first course in the EDFP Certification Program™, gain a solid understanding of both the basic tools and newest techniques used by successful economic development finance practitioners to assist small businesses and create jobs. The course explores economic development activities as part of a community's overall economic development finance strategy and investigates the financing resources available for job creation projects. Participants analyze and structure economic development projects for small and medium-sized businesses as well as commercial real estate developments utilizing incentive financing packages. Specific topics include:

- Economic Development Finance Overview
 - Financing gaps in the private capital markets
 - Underwriting practices of private sector lenders
 - Plugging the gaps with economic development financing incentives
 - Implementing financing programs through an economic development system
- Business Credit Analysis
 - Financial statement spreading and analysis
 - Quality indicators and ratio analysis
 - Calculating debt service
- Fixed Asset Financing
 - Measuring repayment ability
 - Structuring incentive financing
- Real Estate Finance
 - Developer's pro forma income and expense statement
 - Measuring return on investment
 - Calculating the financing gap
- Economic Development Finance Programs
 - SBA 504 and 7(a)
 - HUD CDBG and 108
 - New Markets Tax Credits
 - Revolving loan funds and interim financing
 - Loan packaging procedures

ED201-Business Credit Analysis

In ED201, the second course in the EDFP Certification Program™, participants build on the financial analysis and deal structuring techniques learned in ED101 through investigation of advanced methods used to analyze the creditworthiness of operating small businesses. The credit analysis and underwriting procedures of commercial lenders are tailored to the unique concerns of economic development lenders. Participants spread and analyze the financial statements of numerous actual companies—manufacturing, service, retail—and use economic development finance programs to structure fixed asset and permanent working capital financing packages. Specific topics include:

- Credit Analysis Process
 - Evaluating a company's strengths and weaknesses
 - Refining quality indicator and ratio analysis
 - Assessing operating needs
 - Measuring a company's ability to digest growth
- Permanent Working Capital Analysis
 - Determining a company's operating cycle
 - Measuring PWC needs
 - Financing a company's growth
- Cash Flow Analysis
 - Analyzing cash flow management
 - Determining debt capacity
 - Matching sources and uses of funds
 - Identifying fast growth syndrome
- Projections and Deal Structuring
 - Balance sheet and profit and loss statement projections
 - Evaluating financing options
 - Break even analysis
 - Structuring fixed asset and PWC financing
 - Restructuring financing packages

Prerequisites: ED101-Economic Development Finance,



ED202-Real Estate Finance

Real estate development is the focus of ED202, the third course in the EDFP Certification Program™. This course offers a step-by-step look at the real estate development process from the perspective of lenders, developers and investors. Participants analyze economic development real estate projects—retail, office, mixed-use—using the rates of return required by lenders, developers and investors, and determine the appropriate amount of public sector financing needed to make projects feasible. Public sector financing tools and techniques, including tax credits, designed to attract, leverage and complement private financing, are utilized to maximize equity while minimizing the amount of public investment. Specific topics include:

- Real Estate Financing Process
 - Calculating project costs
 - Projecting the developer's pro forma
 - Determining debt capacity
 - Measuring equity attracted
 - Quantifying the financing gap
 - Closing the gap
- Return on Investment
 - Cash-on-cash rate of return
 - After-tax cash flow rate
 - Present value analysis
 - Internal rate of return
- Appraisals
 - The capitalization rate
 - Three approaches to value
 - Reconciling value
- Impact of Taxes on Real Estate Ownership
 - Depreciation
 - Leverage
 - Tax credits
 - Taxable gains and losses



ED300-The Art of Deal Structuring

The final course in the EDFP Certification Program™, ED300 integrates the business credit and real estate finance skills learned in previous courses with the creative demands of deal structuring. Participants apply a process for solving problems in order to overcome the myriad obstacles—economic, financial, political, social—to the successful structuring of business finance and real estate projects. The emphasis of this course is casework. Participants are challenged by case studies that involve complex financial issues such as workouts, business buyouts and tax credits in real estate projects. Specific topics include:

- Problem Solving
 - Elements of the problem solving process
 - Devising a negotiation strategy
 - Creating “win-win” solutions
- Deal Structuring
 - Valuing tax credits
 - Mixed-use developments
- Workout and Buy-outs
 - Developing a workout plan
 - Business valuation methods
 - Structuring a buy-out
- Syndication
 - Equity attraction
 - Allocation of benefits
 - Limited partnership model

Prerequisites: ED101-Economic Development Finance, ED201-Business Credit Analysis, ED202-Real Estate Finance.
